

Message Text

SECRET

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73

ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 SP-02 INR-05

CIAE-00 OES-02 EB-03 L-01 PRS-01 /040 W

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P 092316Z MAR 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC PRIORITY 9308

S E C R E T QUITO 1837

LIMDIS

E.O. 11652: XGDS-3

TAGS: ENRG PFOR EC US

SUBJ: PETROLEUM: TEXACO/GULF SITUATION

REF: QUITO 1685

1. DCM AND I MET THE AFTERNOON OF MARCH 9 WITH LOCAL TEXACO/ GULF REPRESENTATIVES AT MY REQUEST. THEY SAID THEY HAD MET ON MARCH 8 WITH MINISTER OF NATURAL RESOURCES VARGAS, MINISTER OF FINANCE ROBALINO AND OTHERS TO DISCUSS QUESTION OF NORSUL/ PHONENIX/COCA DEBT, VARGAS' ORDER TO FREEZE ROUTINE PAYMENTS TO THE COMPANIES, AND THE COMPANIES' REFUSAL TO MAKE DEPOSITS. UNDER LEADERSHIP OF ROBALINO, THEY AGREED TO MAKE THREE PAYMENTS ON \$3.3 MILLION DEBT (OUT OF \$4.8 MILLION CLAIMED) WHICH THEY ACKNOWLEDGE. AS A CORRESPONDING GESTURE "OF GOOD WILL" IT WAS AGREED THAT VARGAS WOULD WITHDRAW HIS ORDER TO THE CENTRAL BANK NOT TO MAKE ANY PAYMENTS TO TEXACO/GULF. THIS ORDER HAS NOW BEEN CARRIED OUT.

2. AS FAR AS OVERALL SITUATION IS CONCERNED, BOTH REPRESENTATIVES SAID THEIR COMPANIES WERE STUDYING WHAT TO DO NEXT. THEY DO NOT ANTICIPATE EARLY ACTION. WHEN QUERIED SPECIFICALLY ABOUT THE LETTER REGARDING THEIR INTENTIONS WHICH BOTH SUPREME COUNCIL MEMBER GENERAL DURAN AND VARGAS HAD PREVIOUSLY REQUESTED, TEXACO/GULF REPRESENTATIVES SAID THAT WAS STILL UNDER STUDY BY THEIR HEADQUARTERS.

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3. COMMENT: THE IMMEDIATE PROBLEM SEEMS TO HAVE BEEN SOLVED. NONETHELESS, THE REPRESENTATIVES EXPECT SOME OTHER PROBLEM TO ARISE AS SOON AS VARGAS CAN THINK OF ONE. HOWEVER, THEY NOTE FOR THE FIRST TIME THAT VARGAS WAS NOT IN CHARGE OF THE MARCH 8 MEETING AND THAT HE WAS REQUIRED TO REVERSE HIMSELF ON THE DEPOSIT ISSUE. THIS IS THUS THE SECOND TIME (THE FIRST WAS ON THE PRICE RISE) ON WHICH HE HAS BEEN OVERRULED.
BREWSTER

SECRET

NNN

Message Attributes

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